

FACT SHEET | Compromise to Fix our Roads, Bridges, & Transit Systems

2016 Budget for a Better Minnesota

With just seven days remaining in the 2016 Legislative Session, and only six days in which the Legislature is constitutionally authorized to pass bills, Governor Dayton is urging legislators to act quickly to enact a compromise transportation solution. The Governor's two proposals, which are detailed below, include ideas supported and passed by the Minnesota Senate and House of Representatives.

How Each Compromise Proposal Would Work

Under the two proposed options, all changes would be effective January 1, 2017. The numbers included in this chart reflect a full implementation year. Governor Dayton's compromise plans would generate half of the revenue in the chart below (\$300 million) in Fiscal Year 2017, because it is only effective for half of the Fiscal Year.

	Governor Dayton's Compromise Proposal #1	Governor Dayton's Compromise Proposal #2
General Fund Expenditures	\$200 million per year	\$200 million per year
5¢ Gas Tax Increase	\$150 million per year	\$0 per year; no gas tax increase
Increased Vehicle Tab Fees	\$250 million per year	\$400 million per year
0.5¢ Metro-Area Sales Tax for Transit	\$280 million per year	\$280 million per year
TOTAL FUNDING, PER-YEAR:	Roads & Bridges: \$600 million Transit: \$280 million	Roads & Bridges: \$600 million Transit: \$280 million
TOTAL FUNDING, 10-YEAR:	Roads & Bridges: \$6 billion Transit: \$2.8 billion	Roads & Bridges: \$6 billion Transit: \$2.8 billion

How Each Compromise Proposal Compares to Existing Proposals

Sixteen months ago, Governor Dayton proposed [his detailed plan](#) to fix Minnesota's aging, underfunded transportation systems. That proposal included a 16-cent gas tax increase and increased registration fees. It would have provided \$600 million per year for roads and bridges, delivered needed funding to cities and counties for local transportation improvements, and dedicated funding for Metro-area transit improvements paid for only in Metro-area counties. The Minnesota Senate passed a similar proposal.

The Minnesota House of Representatives most recent offer would provide \$300 million in FY2017 for roads and bridges. It did not include funding for metro transit improvements. That plan relied exclusively on General Fund revenues and state borrowing.

The following chart details how the Governor's two compromise proposals compare to existing transportation proposals offered by the Governor, and House of Representatives.

How Each Compromise Proposal Compares to Existing Proposals

	Governor Dayton's Original Proposal	Governor Dayton's Compromise Proposal #1	Governor Dayton's Compromise Proposal #2	House Republicans' Current Proposal
General Fund Expenditures	\$0 per year; no General Fund expenditures	\$200 million per year	\$200 million per year	\$300 million per year
Gas Tax Increase	\$453 million per year from 16¢ gas tax increase	\$150 million per year from 5¢ gas tax increase	\$0 per year; no gas tax increase from 5¢ gas tax increase	\$0 per year; no gas tax increase
Increased Vehicle Tab Fees	\$143 million per year	\$250 million per year	\$400 million per year	\$0 per year; no vehicle tab fee increase
0.5¢ Metro-Area Sales Tax for Transit	\$280 million per year	\$280 million per year	\$280 million per year	\$0 per year; no sales tax increase, plus cuts to existing funding
TOTAL FUNDING, PER-YEAR:	<u>Roads & Bridges:</u> \$596 million <u>Transit:</u> \$280 million	<u>Roads & Bridges:</u> \$600 million <u>Transit:</u> \$280 million	<u>Roads & Bridges:</u> \$600 million <u>Transit:</u> \$280 million	<u>Roads & Bridges:</u> \$300 million <u>Transit:</u> -\$65 million <i>reduction</i>
TOTAL FUNDING, 10-YEAR:	<u>Roads & Bridges:</u> \$6 billion <u>Transit:</u> \$2.8 billion	<u>Roads & Bridges:</u> \$6 billion <u>Transit:</u> \$2.8 billion	<u>Roads & Bridges:</u> \$6 billion <u>Transit:</u> \$2.8 billion	<u>Roads & Bridges:</u> \$3 billion <u>Transit:</u> -\$650 million <i>reduction</i>